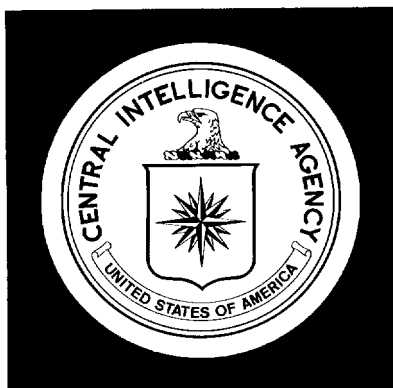


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under heavy pressure. (Page 1)

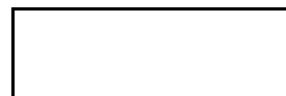
CAMBODIA: Phnom Penh may face severe rice shortages
this summer. (Page 2)

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Exchange Rate, Selected Countries
Units per Dollar

	<u>19 March</u>	<u>7 May</u>	<u>14 May</u>	<u>15 May</u>
	Joint Float Instituted			
Mark	2.8265	2.8525	2.7975	2.7725
Guilder	2.8962	2.9580	2.888	2.8680
French Franc	4.5450	4.5612	4.4950	4.4300
Sterling	0.4065	0.4014	0.3932	0.3898
Swiss Franc	3.2487	3.2500	3.1725	3.1425
Yen	264.9	265.6	265.0	263.7



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INTERNATIONAL MONETARY DEVELOPMENTS: The dollar again was under heavy pressure in active trading on European markets yesterday, and depreciated markedly against the major European currencies.

Although the Bank of England continued its light purchases of dollars, there are no signs of any substantial central bank dollar intervention by the joint float participants. Nevertheless, these countries may attempt, through limited intervention, to prevent too rapid an appreciation of their currencies vis-a-vis the dollar to minimize the impact on their foreign trade. Watergate continues to be featured prominently in traders' explanations for the current monetary crisis.

Gold continued its rapid rise and was traded above \$112 an ounce in London before closing at \$110. Transactions as high as \$128 were reported in Paris. Rumors that President Nixon will discuss new gold price arrangements with Soviet Party Chief Brezhnev in Washington next month and evidence of reduced South African production and sales contributed to the unprecedented increase in price, as did the currency unrest.

Although the dollar was weak at the opening of trading in Tokyo yesterday in line with developments in Europe, it recovered part of its losses and closed down only modestly from Monday in light trading. Foreign exchange banks and other private sources have replaced the central bank as the sellers of dollars in the Tokyo market. Continued strong demand for dollar imports and foreign investment, however, accounts for the dollar losing only slightly against the yen.

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CAMBODIA: Phnom Penh may encounter critically short supplies of rice by mid-summer [REDACTED]

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[REDACTED] There is little rice available for export from the US under PL-480 until the harvest this autumn. Shortages in South Vietnam preclude reallocation to Cambodia of 25,000 tons of PL-480 rice that originally had been intended for Phnom Penh, although Saigon could probably help to some degree if the mid-summer crisis develops. The Japanese ambassador has indicated that his country can at best provide less than 10,000 tons, although Tokyo might be willing to help finance rice purchases elsewhere. [REDACTED]

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